Disinvestments in IFCI

775. SHRI S.S. AHLUWALIA: Will the Minister of FINANCE be pleased to state:

(a) whether disinvestment in Industrial Finance Corporation of India (IFCI) is being carried out

(b) if so, the details thereof including the current status of the exercise;

(c) whether it is a fact that several Board level officials of IFCI resigned during August-September, 2007;

(d) if so, the reasons shown by the respective officials in their resignation letters;

(e) whether any IFCI Board members has been associated with some of the private
organizations who are bidding for acquiring stakes in IFCI; and

(f) if so, the nature of their association with such private organizations, indicating potential
areas of clash of their interests while they served on the Board/Management of IFCI?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) IFCI Ltd. is a public limited company registered under the Companies Act, 1956. Government of India does not have any equity holding in IFCI Ltd. The affairs of IFCI Ltd. are managed by its Board of Directors in accordance with the relevant statutes. As per information received from the IFCI Ltd., it is considering issuing a minimum of 26% of its expanded capital by way of fresh shares on preferential basis to a Strategic Investor, in line with the guidelines provided by SEBI, for which requests for proposals have been invited by IFCI Ltd.

(c) to (0 IFCI Ltd. has informed that during August-September, 2007, two part-time Directors, *viz.,* Shri N Balasubramanian and Shri Viriayak Chatterjee resigned from the Board of IFCI citing potential conflict of interest in the process of selection of the Strategic Investor Further, IFCI has informed that no Board member has reported any association with any of the private organizations, which has submitted Expression of Interest as a Strategic Investor.

Loans provided by commercial banks to small industries

†776. SHRI SURENDRA LATH: Will the Minister of FINANCE be pleased to state:

(a) the total amount of the loan provided by the commercial banks to small and micro industries during the last three years in the country;

(b) whether Government is considering to provide more relaxation on loan to further promote the small and micro industries;

(c) if so, the details thereof, State-wise; and

(d) the total number of small industries which have been provided these loans?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) The amount of outstanding loans provided by the public sector banks to micro and small enterprises (MSEs) as at the end of March, 2005, 2006 and 2007 were Rs. 58,311 crore, Rs. 82,434 crore and 1,04,703 crore, respectively.

(b) and (c) The Policy of the Government is an evolving policy and will be fine-tuned as and when required.

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†Original notice of the question was received in Hindi.

(d) The total number of small industries provided these loans by public sector banks during the last three years from March, 2005 to March, 2007 is as under;

Year	No. of Industries
2005	17.10 lakh
2006	17.28 lakh
2007	20.02 lakh

Fire at Income Tax Office in Mayur Bhavan, New Delhi

777. SHRI RAJEEV CHANDRASEKHAR: Will the Minister of FINANCE be pleased to state:

(a) whether a fire broke out in Income-tax Office in Mayur Bhawan in New Delhi;

(b) if so, the extent of damage caused thereby;

(c) whether the cause of fire has been inquired into, and

(d) if so, the findings thereof and the action taken thereon?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Yes, Sir. A fire broke out in Income-tax Office on 7th floor of Mayur Bhawan, New Delhi in the early morning of 6th October, 2007. It was put out by the Delhi Fire Service.

(b)The fire damaged/destroyed some Income-tax records, administrative records, office furniture and equipment.

(c) An FIR has been lodged with the Delhi Police on 6.10.2007. Enquiries are being carried out by Delhi Police. No report has been received from them so far.

(d)The outcome of investigation by the Police with regard to cause of fire is awaited.

High rate of interest charged by money-lenders

778. SHRI SANJAY RAUT: Will the Minister of FINANCE be pleased to state:

(a) whether Government is aware that money-lenders, in rural areas are charging monthly interest rate more that 2 to 15 per cent to the poor and needy and many deprived persons commit suicide due to their inability to repay the money borrowed;

(b) if so, what is Government's reaction thereto, indicating steps taken for providing more credit facilities to the poor against nominal interest rate;

(c) the measures taken or proposed to be taken against such money-lenders with the help of various State Governments;

(d) whether Government is considering to bring any legislation for regulating the unorganized money lending sector; and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) Yes, Sir. However, there are many reasons behind the suicides by the farmers. Excessive borrowing from formal and non-formal sources, social tension, continuous drought affecting the yield and their income, emerging changes in social